
A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The purpose of this part is to increase the
3 various liquor tax rates.

4 SECTION 2. Section 244D-4, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) Every person who sells or uses any liquor in the
7 State not taxable under this chapter, in respect of the
8 transaction by which the person or the person's vendor acquired
9 the liquor, shall pay a gallonage tax [~~which~~] that is hereby
10 imposed at the following rates for the various liquor categories
11 defined in section 244D-1:

12 [~~For the period July 1, 1997, to June 30, 1998, the tax~~
13 ~~rate shall be:~~

14 ~~(1) \$5.92 per wine gallon on distilled spirits;~~

15 ~~(2) \$2.09 per wine gallon on sparkling wine;~~

16 ~~(3) \$1.36 per wine gallon on still wine;~~

17 ~~(4) \$0.84 per wine gallon on cooler beverages;~~



1 ~~(5) \$0.92 per wine gallon on beer other than draft beer;~~

2 ~~(6) \$0.53 per wine gallon on draft beer;~~

3 ~~On] For the period July 1, 1998, [and thereafter,] to June~~
4 30, 2011, the tax rate shall be:

5 (1) \$5.98 per wine gallon on distilled spirits;

6 (2) \$2.12 per wine gallon on sparkling wine;

7 (3) \$1.38 per wine gallon on still wine;

8 (4) \$0.85 per wine gallon on cooler beverages;

9 (5) \$0.93 per wine gallon on beer other than draft beer;

10 (6) \$0.54 per wine gallon on draft beer;

11 and at a proportionate rate for any other quantity so sold or
12 used.

13 From July 1, 2011, and thereafter, the tax rate shall be:

14 (1) \$7.18 per wine gallon on distilled spirits;

15 (2) \$2.54 per wine gallon on sparkling wine;

16 (3) \$1.66 per wine gallon on still wine;

17 (4) \$1.02 per wine gallon on cooler beverages;

18 (5) \$1.12 per wine gallon on beer other than draft beer;

19 (6) \$0.65 per wine gallon on draft beer;

20 and at a proportionate rate for any other quantity so sold or
21 used."



1 PART II

2 SECTION 3. Chapter 244D, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 "§244D- Small breweries and brewpubs; tax. Every small
6 brewery or brewpub that brews or produces beer in the State
7 shall pay a gallonage tax of 23 cents per gallon of beer on the
8 first sixty thousand barrels of beer brewed or produced during
9 the taxable year. Beer produced after the first sixty thousand
10 barrels during a taxable year shall be taxed under section 244D-
11 4(a)."

12 SECTION 4. Section 244D-1, Hawaii Revised Statutes, is
13 amended by adding two new definitions to be appropriately
14 inserted and to read as follows:

15 "Barrel" means a barrel containing not more than thirty-
16 one gallons or wine gallons of liquor.

17 "Small brewery or brewpub" means a brewery or brewpub that
18 brews or produces not more than two million barrels of beer per
19 taxable year."

20 SECTION 5. Section 244D-6, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "**§244D-6 Return, form, contents.** Every taxpayer shall, on
2 or before the twentieth day of each month, file with the
3 department of taxation in the taxation district in which the
4 taxpayer's business premises are located, or with the department
5 in Honolulu, a return showing all sales of liquor by gallonage
6 and dollar volume in each liquor category defined in section
7 244D-1 and taxed under section 244D-4(a) or 244D-_____ made by the
8 taxpayer during the preceding month, showing separately the
9 amount of the nontaxable sales, and the amount of the taxable
10 sales, and the tax payable thereon. The return shall also show
11 the amount of liquor by gallonage and dollar volume in each
12 liquor category defined in section 244D-1 and taxed under
13 section 244D-4(a) or 244D-_____ used during the preceding month
14 [~~which~~] that is subject to tax, and the tax payable thereon.
15 The form of return shall be prescribed by the department and
16 shall contain [~~such~~] information as it may deem necessary for
17 the proper administration of this chapter."

18 SECTION 6. Section 244D-9, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Every dealer shall keep a record of all sales of
21 liquor by gallonage and dollar volume in each liquor category
22 defined in section 244D-1 and taxed under section 244D-4(a) or



1 244D- made by the dealer, in [~~such~~] a form as the department
 2 of taxation may prescribe. Every person holding a license under
 3 the liquor law, other than a manufacturer's or wholesaler's
 4 license, shall keep a record of all purchases by the person of
 5 liquor by gallonage and dollar volume in each liquor category
 6 defined in section 244D-1 and taxed under section 244D-4(a) [~~7~~]
 7 or 244D-, in [~~such~~] a form as the department may prescribe.

8 All [~~such~~] records required under this subsection shall be
 9 offered for inspection and examination at any time upon demand
 10 by the department or commission and shall be preserved for a
 11 period of five years [~~7-except~~]; provided that the department may
 12 consent in writing [~~consent~~] to their destruction within [~~such~~]
 13 the five-year period or may require that they be kept longer.

14 The department may require the dealer by rule [~~require the~~
 15 ~~dealer~~] to keep [~~such~~] other records as it may deem necessary
 16 for the proper enforcement of this chapter."

PART III

18 SECTION 7. The purpose of this part is to allow Hawaii
 19 consumers to receive discounts, coupons, and rebates on the
 20 combined purchase of alcoholic beverages and other grocery
 21 items.



1 SECTION 8. Section 281-85, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) It shall be unlawful for any person acting as agent
4 or representative of a nonresident principal or for any licensee
5 directly or indirectly, or through any subsidiary or affiliate,
6 to give any premium or free goods of intoxicating liquor or
7 other merchandise in connection with the sale of any
8 intoxicating liquor; or to offer or to provide any premium or
9 free goods of intoxicating liquor in connection with the sale of
10 other merchandise. Notwithstanding any other provision of this
11 chapter to the contrary, it shall be lawful for any person
12 acting as an agent or representative of a nonresident principal
13 or for any licensee directly or indirectly, or through any
14 subsidiary or affiliate, to provide a discount to the consumer,
15 either in the form of a coupon redeemed through a retail
16 licensee or through a mail-in rebate that the consumer sends to
17 the licensee or its agent or representative, when purchasing
18 intoxicating liquor in combination with other merchandise."

19 PART IV

20 SECTION 9. If any provision of this Act, or the
21 application thereof to any person or circumstance is held
22 invalid, the invalidity does not affect other provisions or



1 applications of the Act, which can be given effect without the
2 invalid provision or application, and to this end the provisions
3 of this Act are severable.

4 SECTION 10. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 11. This Act shall take effect on July 1, 2011.



Report Title:

Liquor Tax Rate; Small Breweries and Brewpubs; Coupons

Description:

Increases liquor tax rates. Reduces the liquor tax rate on the first 60,000 barrels produced in a small brewery or brewpub. Permits the provision of a discount through coupons or mail-in rebates for liquor purchases when made in combination with other merchandise. Effective July 1, 2011. (SB741 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

